



Senate

General Assembly

File No. 449

February Session, 2016

Substitute Senate Bill No. 411

Senate, April 4, 2016

The Committee on Banking reported through SEN. WINFIELD of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ALLOWING RENT PAYMENTS TO HOUSING AUTHORITIES TO BE CONSIDERED WHEN CALCULATING INDIVIDUAL CREDIT SCORES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective October 1, 2016*) (a) The Commissioner of
2 Housing shall establish a pilot program for eligible local housing
3 authorities to implement a credit building program that uses rental
4 payments as a mechanism for credit building.

5 (b) The commissioner shall identify eligible local housing authorities
6 in up to three distressed municipalities, as defined in section 32-9p of
7 the general statutes, to participate in a three-year pilot program that
8 will record and report timely rent payments by tenants to nationally
9 recognized consumer credit bureaus that opt to participate in the pilot
10 program. The eligible local housing authorities shall receive technical
11 assistance to implement rent-reporting software and track data
12 regarding rent payments throughout the program's duration.

13 (c) Eligible local housing authorities identified under subsection (b)
 14 of this section shall provide training and support to staff regarding the
 15 pilot program. The staff of the local housing authorities shall conduct
 16 educational briefings for tenants to learn about the pilot program and
 17 benefits of participation in such pilot program.

18 (d) Not later than January 1, 2017, the Commissioner of Housing
 19 shall establish the parameters of the pilot program and designate up to
 20 three eligible local housing authorities identified pursuant to
 21 subsection (b) of this section to participate in the program. The
 22 commissioner shall submit, in accordance with the provisions of
 23 section 11-4a of the general statutes, the following reports to the joint
 24 standing committee of the General Assembly having cognizance of
 25 matters relating to housing: (1) A status report on the pilot program
 26 not later than July 1, 2017; (2) an interim report on the pilot program
 27 not later than January 1, 2018; and (3) a final report on the pilot
 28 program not later than July 1, 2019.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	New section

Statement of Legislative Commissioners:

In subsection (b) of section 1, "participating" was deleted and "that opt to participate in the pilot program" was added for clarity.

BA

Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Department of Housing	GF - Potential Cost	Up to 25,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a one-time potential cost of up to \$25,000 to the Department of Housing (DOH) by establishing a credit building program in up to three distressed municipalities.

Under the program local housing authorities must record and report timely payments by tenants to national consumer credit bureaus. The bill requires local housing authorities to receive technical assistance to implement rent-reporting software; however, the bill is unclear what entity is responsible for providing such assistance. Assuming DOH is required to provide required technical assistance, there is a one-time cost of up to \$25,000 to implement the software for the housing authorities.

The Out Years

The bill results in a one-time cost in FY 17 and does not have an impact to the state in the outyears.

OLR Bill Analysis

sSB 411

***AN ACT ALLOWING RENT PAYMENTS TO HOUSING
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INDIVIDUAL CREDIT SCORES.***

SUMMARY:

The Office of Legislative Research does not analyze Special Acts.

COMMITTEE ACTION

Banking Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/15/2016)